

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0291P**

**Withholding Tax**

**Calendar Years 12/31/99 and 12/31/00**

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**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**II. Tax Administration – Interest**

**Authority:** IC 6-8.10-1; 45 IAC 15-11-1

Taxpayer protests the interest assessed.

**STATEMENT OF FACTS**

Taxpayer was assessed penalty and interest for failing to remit all of its withholding tax by the due date. Upon audit it was discovered that the taxpayer failed to remit \$66,257.68 in tax that it withheld from employees' wages in May 2000. Taxpayer paid the tax during the audit. Taxpayer requests the department waive the penalty and interest assessed against it.

**I. Tax Administration – Penalty**

**DISCUSSION**

Taxpayer failed to remit all of its withholding tax for the year 2000 and paid the outstanding tax during the audit. The department assessed a late payment penalty and updated interest. On May 29, 2002, taxpayer requested a penalty waiver because it took immediate action to issue a payment.

Taxpayer failed to remit its tax timely and has not provided reasonable cause for its failure.

The Department finds the penalty appropriate.

**FINDING**

Taxpayer's protest is denied.

**II. Tax Administration – Interest**

**DISCUSSION**

Taxpayer requests the waiver of interest; however, the department has no authority to waive interest.

**FINDING**

Taxpayer's protest is denied.